

Amendments to the Specification:

Paragraph [0001], please amend, as follows:

This application is related to Applicants' concurrently filed United States patent applications entitled METHOD AND APPARATUS FOR ESTABLISHING USAGE RIGHTS FOR DIGITAL CONTENT TO BE CREATED IN THE FUTURE (Serial No. 09/867,747 ~~Attorney Docket No. 111325-68~~), DEMARCATED DIGITAL CONTENT AND METHOD FOR CREATING AND PROCESSING DEMARCATED DIGITAL WORKS (Serial No. 09/867,746 ~~Attorney Docket No. 111325-62~~), METHOD AND APPARATUS FOR DYNAMICALLY ASSIGNING USAGE RIGHTS TO DIGITAL WORKS (Serial No. 09/867,745 ~~Attorney Docket No. 111325-66~~), METHOD AND APPARATUS FOR ASSIGNING CONDITIONAL OR CONSEQUENTIAL RIGHTS TO DOCUMENTS AND DOCUMENTS HAVING SUCH RIGHTS (Serial No. 09/867,749 111325-64), and METHOD AND APPARATUS FOR HIERARCHICAL ASSIGNMENT OF RIGHTS TO DOCUMENTS AND DOCUMENTS HAVING SUCH RIGHTS (Serial No. 09/867,748 111325-65), ~~which are being filed concurrently herewith,~~ and are incorporated herein by reference in their entirety.

Paragraph [0019], please amend, as follows:

Payment for the work is passed from user 130 or 132 to distributor 120 by way of clearinghouse 150 which collects requests from user 130 and 132 and from other users who wish to ~~sue~~ use a particular content. Clearinghouse 150 also collects payment information, such as debit transactions, credit card transactions, or other known electronic payment schemes, and forwards the collected payments as a payment batch to distributor 120. Of course, clearinghouse 150 may retain a share of the payment as a fee for the above-noted services. Distributor 120 may retain a portion of the batch payment from clearinghouse 150 for distribution services and forward a payment (for example royalties) to author 110. Distributor 120 may compile a bundle or batch of user requests for a single work before distributing the work. In such a case, a single instance of the encrypted work

can be generated for unencryption by all of the requesting users 130. Clearinghouse 150 also maintains various records regarding ownership and usage rights as described in detail below.

Paragraph [0024], please amend, as follows:

Subsequently, in step 406, transfer permissions module 214 changes the usage rights 212 and 312 to prohibit use by users 130 and 132 of content 210 and 310 respectively and to permit the same use by the new user 132 and ~~43~~ 130 respectively. Finally, in step 408, works 200 and 202 are exchanged between users 130 and 132 with the new usage rights 212 and 312 respectively. Alternatively, works 200 and 202 can be redistributed from distributor 120 or clearinghouse 150 to users 130 and 132. In any case, clearinghouse 150 can track all transactions, usage rights, current user data, and the like.